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MANHATTAN CO-OP SETTLES WITH U.S.
TO RESOLVE CIVIL RIGHTS LAWSUIT

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that the United States and Hillman Housing Corp., a cooperative housing development on the Lower East Side of Manhattan, have settled a civil rights lawsuit that had charged Hillman and three members of its Board of Directors with violating the fair housing laws by discriminating against two applicants when the applicants attempted to purchase a Hillman apartment. Under the terms of the settlement, Hillman agreed, without admitting liability, to pay the applicants, Cynthia Liu and Robert J. Liao, a total of \$130,000. A consent decree incorporating the settlement was approved yesterday by United States District Judge GERARD E. LYNCH and entered as an order of the Court.

Liu and Liao initially filed an administrative complaint with the United States Department of Housing and Urban Development ("HUD"). After HUD investigated their complaint, it determined that there was "reasonable cause to believe" that the Fair Housing Act was violated. Thereafter, Hillman elected pursuant to the Fair

Housing Act to have HUD's determination resolved in federal court. In these circumstances, the Fair Housing Act authorized the Department of Justice to commence an action in United States District Court on behalf of Liu and Liao.

The Government filed its Complaint against Hillman and the three board members on January 25, 2002. The Complaint alleged that Hillman and its board members violated the Fair Housing Act by discriminating against Liu and Liao on the basis of race, color, national origin, and religion.

According to the Complaint, Liu and Liao entered into a contract to purchase a Hillman apartment for \$24,333. The Complaint alleged that Hillman's Board refused to approve the sale, even though Liu and Liao were financially qualified to purchase the apartment. The Complaint further alleged that the Board rejected Liu and Liao's application because they are Chinese-Americans and because they are not Jewish. According to the Complaint, after rejecting Liu and Liao's application, the Board approved the sale of the apartment to a Jewish applicant whose financial qualifications were inferior to the qualifications of Liu and Liao.

The Hillman properties are located at 500, 530 and 550 Grand Street.

In addition to the monetary relief provided to Liu and Liao, the Consent Decree also provides for injunctive relief designed to ensure Hillman's compliance with the fair housing laws.

Among other requirements, the Decree prohibits Hillman from violating the Fair Housing Act in the future, requires Hillman to notify potential applicants that its apartments are available for sale on a non-discriminatory basis, and requires Hillman to maintain records and submit to monitoring by the Department of Justice for a specified period to ensure compliance with federal law.

Assistant United States Attorney ELIZABETH WOLSTEIN is in charge of the case.

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